

MINUTES

**Seattle City Employees' Retirement System
Regular Board Meeting**

**Wednesday, June 3, 2009 – 9:00 am
Pacific Building, 10th Floor**

Present: Jean Godden, Dwight Dively, Mark McDermott, Mary Norris, Rod Rich, Lou Walter, and Frank Mathews

Also Present: Charles Hamilton (Esq.); Dennis Balcom (Parks Dept.); Shauna Fitzner (Parks Dept.); Gwen Jensen (ARSCE); Walt North (ARSCE); Jim Taylor (ARSCE); Judith Flemings (ARSCE); William Song (Song Mondress); Carlton Seu (City Attorney's Office); Cecelia M. Carter (SCERS)

Councilmember Jean Godden called the meeting to order at 9:00 a.m.

Public Comment: *there being none.*

Minutes:

Motion: Upon motion by Frank Mathews, seconded by Mary Norris, the Retirement Board approved the minutes from the April 1, 2009 Retirement Board meeting and acknowledged the cancellation of the May 6, 2009 Board meeting.

Lou Walter joined the meeting at 9:02 a.m.

Ratification of Retired Payroll, Office Payroll, Other Payments and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 7,891,929.52
Beneficiary	\$ 932,850.07
Disability	\$ 72,969.46
Pension Payroll – PPE April 30, 2009	\$ 8,897,749.05
Office Payroll – PPE March 31st & April 14th & 28th, 2009	\$ 77,169.84
Vouchers Processed – March 31, 2009	\$ 122,931.42*
* \$29,455.40 Expert and Consultant Services	

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$7,922,368.77
Beneficiary	\$ 908,919.70
Disability	\$72,969.46
Pension Payroll – PPE May 31, 2009	\$ 8,904,257.93
Office Payroll – PPE May 12th, 2009	\$ 25,656.96
Vouchers Processed – April 30, 2009	\$ 245,272.07*
* \$166,292.61 Expert and Consultant Services	

Immediate Withdrawals of Contributions for the months of April and May 2009:

<i>Member</i>	<i>Department Name</i>	<i>Position</i>
Meier, Antoinette R	Neighborhoods	Neighborhood Dist Coordinator
Hawkeidge, Eugene Paul	Light	Elect Power Syst Engineer
Stebbins, Laura Jane	Legislative	Administrative Secretary
Awford, Robert Paul	SPU	Water Pipe Worker
Leppell, Ramona M	SPU	Meter Reader
Jones, Walter, L	Parks	Laborer
Valderas, Carrie B	Finance	Accounting Technician I
Shutoff, Sookyung	Parks	Cashier
Umetsu, Ken H	Parks	Lifeguard
Rogers, Mara G	SPU	Public Relation Supervisor
Shamseldin, Tina O	HSD	Strategic Advisor
Callahan, Daniel A	FFD	Laborer
Hinkle, Barbara A	SDOT	Capital Project Coordinator
Cavanagh, Eileen L	SPU	Strategic Advisor I
Xaxouthep, Cyadit	SDOT	Engineering Aide
Fisken, Alec M	Executive	Manager III
Ruiz, Jorge A	Seattle Center	Utility Service Inspector
Hoiness, Sev A	SPU	Water Lab Tech
Hebron, Jeffrey L	HSD	Counselor
Randall, Bryan James	FFD	Equipment server
Pastroumas, Panayotis M	SPU	Painter
Wrenn, Dora Lee	Light	Administrative Specialist II
Hosler, Thomas A	Seattle Center	Stage Tech
Hooper, David H	SDOT	Environmental Analyst, Sr
Stephenson, Joshua	SDOT	Strategic Advisor I
Demuth, James P	Library	Library Associate
Amaro, Daniel SR	Light	Utility Construction
Reinking, Heather A	HSD	Counselor
Jackson, Jay	Light	Lineworker
Grimber, Andrew J	DOIT	Information Technology
Davis, Jordan A	DPD	Accounting Technician III
Robbind, Patricia	Police	Active Death
Winfield, Lyn Ann	Municipal Court	Administrative Specialist II
Woyak, Samantha Erin	DPD	Permit Specialist
Park, Mary C	DPD	Administrative Specialist II
Nguyen, Nicholas	Police	Parking Enforce Officer
Dulai, Kanwaljit S	Parks	Laborer
Cortes-Diaz, Martha Delia	Law	Victim Advocate
Dorsey, Ronald C	Library	Security Services
Ta, Tuan Qouc Nguyen	Parks	Laborer
Johanson, Gary Allen	Seattle Center	Janitor
Frisch, Ermann Eric	Light	Lineworker
Bruneau, Megan K	Police	Domestic Violence Supervisor

<i>Member</i>	<i>Department Name</i>	<i>Position</i>
Randall, Stuart D	Parks	Metal Fabricator

44 Withdrawals for a total of: \$ 669,468.27

Motion: Upon motion by Dwight Dively, seconded by Rod Rich the Retirement Board ratified the Retiree Payroll, Office Payroll, other Payments and Withdrawals.

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<i>Retiree</i>	<i>Retire Date</i>	<i>Years Service</i>	<i>Days Service</i>	<i>Department Name</i>	<i>Position</i>	<i>Age</i>
Opiniano, Rodolfo V	04/02/09	6	277	Seattle Center	Parking Attendant	70
Moss, Patricia L	04/01/09	9	38	Human Services	Counselor	67
Meyer, John P	04/02/09	12	168	City Light	System Analyst	62
Wade, Michelle D	03/14/09	30	1	City Light	Util Acts Supv	50
Harris, Feloneze M	04/02/09	13	58	SPU	Util Act Rep II	58
Jenkins, Rubi Lee	04/01/09	14	336	Seattle Center	Admin Spec I	62
Palmason, James E	04/02/09	29	4	SDOT	Sign Pntr CC	62
Osgood, Leland M	04/03/09	39	203	City Light	Electrician-Con	63
Shimada, Jon M	04/02/09	30	120	SPU	Strategic Advisor	54
Ragozin, Arlene S	03/18/09	17	172	Law	City Attorney Asst	66
Shewman, Helen L	03/27/09	23	150	Vested	Assist Keeper - Parks	57
Jacobs, Deborah Lynn	03/05/09	10	192	Vested	Vested – Library	57
Woo, David A	03/31/09	22	45	Vested	Vested – City Audit	53

<i>Retiree</i>	<i>Retire Date</i>	<i>Years Service</i>	<i>Days Service</i>	<i>Department Name</i>	<i>Position</i>	<i>Age</i>
Aaron, Patricia Jean	04/22/09	17	90	City Light	Admin. Specialist	71
Anderson, Rose Marie	04/29/09	28	199	City Light	Admin. Specialist. II	65
Blandon, Alejandro M	04/21/09	20	144	SPU	Civil Engineer, Assoc	53
Butler, Carol M	04/29/09	10	138	Police	Admin Specialist II-BU	67
Eng, Joel C	04/06/09	23	268	City Light	Meter Electrician	57
Evans, Ray G	04/15/09	30	124	Fleets & Facilities	Auto Equip Pntr	52
Flavors, Lillie L	04/28/09	13	271	SDOT	Admin Specialist II	58
Horswill, Stephen R	04/24/09	27	3	DPD	Compl Insp& JCEO	59
Mayes, Jean S	04/15/09	30	12	Info Tech	Manager II	67
Myers, Esther M	04/29/09	24	71	Library	Library Resource Spec	57
Rice, Norman B	05/04/09	7	362	Mayor	Mayor	66
Scoggin, Linda R	05/01/09	3	214	Library	Librarian	62
Smith, Ralph G.	05/13/09	32	1	Police	Equip Svcr	64
Smith, Robert G	04/29/09	42	172	City Light	Line CCC	65
Stewart, Charles P	05/01/09	7	6	SPU	Info Tech Prof A	63
Wendt, Patricia K	04/08/09	27	336	Police	Parking Enforce Officer	67
White, Sharon K	05/04/09	25	24	SPU	Executive III	59

Motion: Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board approved and ratified the service retirements listed above, pending final review.

For the two months of April and May: 62 new members entered the System, 30 retired from the System, 9 retirement continuations due to death of retiree, 2 retirement adjustments due to social security payments beginning and 44 others terminated City employment.

Ratification of Investment Transactions and Statement of Securities and Cash:

Information: Provided in the Retirement Board packet is the Investment Summary report that represents the transaction summary and the market value of the investments as of April 30, 2009. (Attachment #2)

Motion: Upon motion by Dwight Dively, seconded by Rod Rich, the Retirement Board accepts the Investment Summary report.

Investment Committee Report:

Ms. Carter reported the next investment committee meeting will be held Thursday, June 25, 2009 in the Retirement Office.

Additionally, Ms. Carter reported from the May 28, 2009 Investment Committee meeting the following:

- The May 28th meeting included the Investment Advisory Committee members
- The Investment Advisory Committee presented its 2008 report to the Investment Committee
- PCA reported on the 1Q 2009 portfolio performance
 - 10.5% for the quarter ending March 31, 2009
 - 30.7 for the twelve month period ending March 31, 2009
- PCA also gave a report on the System's Securities Lending activity whereby legal counsel also elaborated on their findings regarding overall securities lending activities in the industry.
 - SCERS management is re-writing the securities lending guidelines which will then be incorporated into our Securities Lending Agreement with BNY Mellon
- The Investment Committee reviewed the monthly Investment Summary Report for the month end April 30, 2009
 - Month to date return was +5.68
 - Year to date return was - 1.87%
 - Estimated funding level was 60.89%
- Ms. Carter then reviewed with the Investment Committee areas of importance with regards to the following investments: Coast Diversified, Carlyle Group, MKA Real Estate Opportunity Fund, BlackRock Carbon Capital, and Imperium. She also advised the Committee on the receipt of the liquidation proceeds from our redemption of the Tremont Core Hedge Fund.

Executive Director Report:

- 2008 Audit update – Moss Adams
 - Mostly completed
 - Open Items (3 ½) are being addressed next week (Tuesday or Wednesday) with SCERS & Moss Adams
 - Confirmations from money managers received represent roughly 85% of the Plan's assets
- 2009 Trustee Election
 - Election Notice will go up on our web site by COB Thursday, June 4, 2009
 - Candidate sign up for election will be available beginning Monday, June 8, 2009 at 8 a.m. and will close on Friday, June 12, 2009 at 12 noon.
 - The seat is for an active member (Rod Rich) & not a member of Local 77.
 - The Board will be advised via e-mail if there is a need for an election.
- 2009 GFOA Conference – Seattle @ Convention Center downtown – June 28 – July 1st

- Two members of SCERS will attend [Pension track & Gov't Financial Reporting track]
- Cost = \$450 per attendee

New Business:

Mark McDermott arrived at the meeting at 9:20 a.m.

The Board heard the request for appeal for Mr. Don LaFrance. Mr. LaFrance made application via e-mail to the Executive Director to have the Board review his retirement effective date (from February 23, 2009 retro back to January 1, 2009). Mr. LaFrance was not present at the hearing but did send representation via Mr. Charles Hamilton, Esq.

Ms. Carter read a statement of the facts and timeline. Mr. Hamilton responded based upon his understanding from his client. The Board asked a series of questions to retirement system staff and representatives from the Parks department human resources.

Executive Session

The Board reserves the right to enter into executive session if necessary.

The Board then went into executive session to deliberate at 9:50 a.m.

The Board came out of executive session at 10:35 a.m.

Motion: Upon motion by Lou Walter, seconded by Dwight Dively, the Retirement Board voted to five yeas (Dively, Godden, Mathews, Walter, Norris) and two nays (McDermott and Rich) to deny Mr. LaFrance's appeal and to keep his retirement effective date as calculated.

Mr. McDermott wished to document his strong disagreement with the decision to deny the appeal. His position is that Mr. LaFrance should have been granted the appeal and he further respectfully disagrees with the Board's decision.

After sharing its finding with the public, the Board then went into executive session to hear and discuss findings from legal counsel regarding certain employee contributions received into the Retirement System.

The Board entered into a second executive session at 10:45 a.m.

The Board came out of executive session at 11:05 a.m.

Motion: Upon motion by Frank Mathews, seconded by Mary Norris, the Retirement Board voted to appoint an ad hoc committee of Messrs. McDermott, Dively, and Rich to review proposals from legal counsel towards a resolution over this issue of certain employee contributions received into the Retirement System.

Motion: Upon motion by Rod Rich, seconded by Frank Mathews, the Retirement Board voted to authorize Song Mondress to negotiate a resolution on behalf of the Board and Retirement System with all parties involved in these certain employee contributions received into the Retirement System.

The Board then went back into executive session to hear and discuss legal counsel findings on privacy rights of member information.

The Board entered into a second executive session at 11:10 a.m.

The Board came out of executive session at 11:20 a.m.

No motions resulted from this executive session.

Adjournment

Motion: Upon motion by Fran Mathews, seconded by Mary Norris, the Retirement Board voted to adjourn the meeting at 11:25 a.m.

Mark McDermott, Secretary